

September 16, 2011

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92;
High-Cost Universal Service Support, WC Docket No. 05-337; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109

Dear Ms. Dortch,

On Wednesday, September 14, 2011, Erin Boone and Mack Greene of Level 3 Communications and Rachel Petty and John Nakahata of Wiltshire & Grannis LLP, on behalf of Level 3, met with Lynne Engledow, Victoria Goldberg, Travis Litman, and Belinda Nixon of the Pricing Policy Division of the Wireline Competition Bureau and Rebekah Goodheart of the Front Office of the Wireline Competition Bureau. Sara Baack, also of Level 3 Communications Inc., participated via telephone.

We discussed Level 3's recently filed comments, as summarized in the attached written presentation, specifically addressing how the Commission might resolve potential arbitrage issues and explaining that the "ABC Plan" step-down should be modified so that it is competitively neutral.

Sincerely,



John T. Nakahata
Counsel to Level 3 Communications, Inc.

cc: Lynne Engledow
Victoria Goldberg
Rebekah Goodheart
Travis Litman

Belinda Nixon
Sarah Baack
Erin Boone
Mack Greene



Intercarrier Compensation and the “ABC Plan”

Level 3 Communications, LLC
September 14, 2011

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Addressing Potential ICC Arbitrage Issues

- **Beyond Phantom Traffic and Traffic Pumping Arbitrage Loopholes Can and Should Be Eliminated**
 - Establish bright line test defining when a LEC is eligible for end office switching access, which states that a LEC provides end office service when it is identified in the NPAC database as providing the calling party or dialed number.
 - Prohibit “mileage pumping” by limiting LECs to charging for transport from end office switch (or equivalent) to nearest ILEC tandem
 - Benchmark CLEC database query charges to competing ILEC’s charges
 - Clarify application of the CLEC Access Charge Benchmark when the CLEC serves end user with a single switch and provides common transport to ILEC tandem
 - Preclude CLECs from inflating access charges by amortizing elements billed on fixed monthly recurring basis, such as end office port charges, to create per minute rates not in ILEC’s tariffed rates
- **Identifying and Distinguishing VoIP Traffic Cannot Be Easily Implemented or Enforced**
 - Commenters do not agree on common definition of VoIP
 - Each proposed solution to identify VoIP would still leave all traffic claimed to be VoIP subject to disputes and litigation

“ABC Plan” Step-Down Should Be Competitively Neutral

- **Adjust Step-Down to Avoid Disproportionate Burden on Certain Carriers**
 - ABC Plan access replacement support provides transition for ILECs until 2020
 - CLECs must adjust by 2017 without access replacement support
- **Avoid Flash Cut of Transport Rates**
 - Reduce charges for fixed charge per month elements (end office trunk ports, tandem ports, direct trunk transport, multiplexing and entrance facilities) in equal steps, once intrastate and interstate access rates have been unified
 - Tandem switching market is competitive and reduction in charges is not necessary

Thank you